



April 10, 2009

ENGROSSED HOUSE BILL No. 1669

DIGEST OF HB 1669 (Updated April 9, 2009 12:06 pm - DI 73)

Citations Affected: IC 20-20.

Synopsis: Geothermal conversion loans. Establishes the geothermal conversion revolving fund (fund) for the purpose of making loans to school corporations that: (1) install a geothermal heating and cooling system in a new facility; or (2) install a geothermal heating and cooling system that replaces a conventional heating and cooling system. Provides that the fund is administered by the Indiana finance authority (authority). Requires the authority to establish a written procedure for providing loans from the fund to school corporations. Specifies that a loan from the fund may not exceed the difference between: (1) the cost of installing a geothermal heating and cooling system; and (2) the cost of installing a conventional heating and cooling system. Requires a school corporation to enter into a loan agreement with the authority before receiving a loan from the fund. Requires the authority to report annually to the budget committee concerning the projects funded with loans from the fund.

Effective: July 1, 2009.

Michael, Moses, Niezgodski, Frizzell
(SENATE SPONSORS — GARD, ERRINGTON, TALLIAN)

January 16, 2009, read first time and referred to Committee on Commerce, Energy, Technology and Utilities.

January 27, 2009, amended, reported — Do Pass.

February 3, 2009, recommitted to Committee on Ways and Means.

February 10, 2009, reported — Do Pass.

February 16, 2009, read second time, ordered engrossed. Engrossed.

February 17, 2009, read third time, passed. Yeas 94, nays 0.

SENATE ACTION

February 23, 2009, read first time and referred to Committee on Energy and Environmental Affairs.

March 17, 2009, reported favorably — Do Pass; reassigned to Committee on Appropriations.

April 9, 2009, amended, reported favorably — Do Pass.

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April 10, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

ENGROSSED HOUSE BILL No. 1669

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-20-37 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]:

4 **Chapter 37. Geothermal Conversion Revolving Fund**

5 **Sec. 1. As used in this chapter, "geothermal heating and cooling**
6 **system" means a heating and cooling system that uses the natural**
7 **temperature of the earth to generate heating and cooling.**

8 **Sec. 2. As used in this chapter, "fund" refers to the geothermal**
9 **conversion revolving fund established by section 3 of this chapter.**

10 **Sec. 3. The geothermal conversion revolving fund is established**
11 **for the purpose of making loans to school corporations that:**

12 (1) install a geothermal heating and cooling system in a new
13 facility; or

14 (2) install a geothermal heating and cooling system that
15 replaces a conventional heating and cooling system.

16 **Sec. 4. (a) The fund shall be administered by the Indiana finance**
17 **authority. The expenses of administering the fund shall be paid**

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from money in the fund.

(b) The fund consists of the following:

(1) Money appropriated by the general assembly.

(2) The repayment proceeds of loans made to school corporations from the fund.

(3) Any gifts and grants made to the fund or other money required by law to be deposited in the fund.

(4) Any federal grants that are received to capitalize or supplement the fund.

(5) Any earnings on money in the fund.

(c) The Indiana finance authority shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

(d) The fund shall be used by the Indiana finance authority as a revolving fund. Money in the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 5. Subject to the requirements of this chapter, the Indiana finance authority may loan money from the fund to a school corporation to assist the school corporation in paying for:

(1) the installation of a geothermal heating and cooling system in a new facility; or

(2) the installation of a geothermal heating and cooling system that replaces a conventional heating and cooling system.

Sec. 6. (a) The Indiana finance authority shall establish a written procedure for providing loans from the fund to school corporations. The written procedure must include at least the following:

(1) An application procedure.

(2) A procedure to identify projects that may qualify for a loan.

(3) Criteria for establishing the priority of projects for which loans will be made.

(4) Procedures for selecting projects for which loans will be made.

(b) To apply for a loan from the fund, a school corporation must submit an application that contains at least the following information:

(1) A description of the geothermal heating and cooling system that the school corporation proposes to install.

(2) An estimate of the cost of the geothermal heating and cooling system.

(3) An estimate of the amount by which the cost of installing

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the geothermal heating and cooling system exceeds the cost of installing a conventional heating and cooling system.

(4) Any other information required by the Indiana finance authority in accordance with the written procedures established under this section.

Sec. 7. The following apply to a loan from the fund to a school corporation under this chapter:

(1) The loan may not exceed the difference between:

(A) the cost of installing a geothermal heating and cooling system; minus

(B) the cost of installing a conventional heating and cooling system.

(2) The Indiana finance authority shall determine the interest rate and other terms for the loan.

(3) A school corporation must enter into a loan agreement with the Indiana finance authority before receiving a loan from the fund. The loan agreement is a valid, binding, and enforceable agreement between the school corporation and the Indiana finance authority. The loan agreement must contain the following terms:

(A) A requirement that the loan proceeds be used to pay for:

(i) the installation of a geothermal heating and cooling system in a new facility; or

(ii) the installation of a geothermal heating and cooling system that replaces a conventional heating and cooling system.

(B) The term of the loan, which may not be longer than fifteen (15) years after the date of the loan.

(C) The repayment schedule.

(D) The interest rate of the loan.

(E) Any other terms and provisions that the Indiana finance authority requires.

Sec. 8. A school corporation receiving a loan under this chapter shall repay the loan from:

(1) the school corporation's general fund; or

(2) the school corporation's capital projects fund.

Sec. 9. The Indiana finance authority shall annually present a report to the budget committee that describes the projects funded with loans under this chapter.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Commerce, Energy, Technology, and Utilities, to which was referred House Bill 1669, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, delete lines 1 through 17.

Page 2, delete lines 1 through 35.

Page 2, line 42, delete "heat from" and insert "temperature of".

Page 5, line 11, delete "2009," and insert "**2011**,".

Page 5, line 12, delete "2011." and insert "**2013**,".

Page 5, line 16, delete "2011." and insert "**2013**,".

and when so amended that said bill do pass.

(Reference is to HB 1669 as introduced.)

MOSES, Chair

Committee Vote: yeas 10, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1669, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

CRAWFORD, Chair

Committee Vote: yeas 17, nays 0.

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COMMITTEE REPORT

Madam President: The Senate Committee on Energy and Environmental Affairs, to which was referred House Bill No. 1669, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is made to House Bill 1669 as printed February 11, 2009.)

GARD, Chairperson

Committee Vote: Yeas 7, Nays 1.

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred House Bill No. 1669, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Page 1, line 16, delete "department." and insert "**Indiana finance authority**".

Page 2, between lines 7 and 8, begin a line block indented and insert:

"(4) Any federal grants that are received to capitalize or supplement the fund.

(5) Any earnings on money in the fund."

Page 2, line 8, delete "treasurer of state" and insert "**Indiana finance authority**".

Page 2, line 10, delete "Interest that".

Page 2, delete line 11.

Page 2, line 12, delete "department" and insert "**Indiana finance authority**".

Page 2, delete lines 15 through 16.

Page 2, line 18, delete "department" and insert "**Indiana finance authority**".

Page 2, line 24, delete "department" and insert "**Indiana finance authority**".

Page 3, line 2, delete "department" and insert "**Indiana finance**

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authority".

Page 3, line 12, delete "department" and insert "**Indiana finance authority**".

Page 3, line 15, delete "department" and insert "**Indiana finance authority**".

Page 3, line 18, delete "department." and insert "**Indiana finance authority.**".

Page 3, line 31, delete "department" and insert "**Indiana finance authority**".

Page 3, line 37, delete "department" and insert "**Indiana finance authority**".

Page 3, delete lines 40 through 42.

Delete page 4.

Re-number all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to EHB 1669 as printed March 18, 2009.)

KENLEY, Chairperson

Committee Vote: Yeas 9, Nays 0.

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